

than the ledger keeper, the fraudulent entries would have been at once detected, or, rather, they would never have been made, for the certainty of prompt detection would have restrained the ledger keeper from making them. What too of the inspection of periodic balances? It is evident that some one or more accounts were so operated that any shrewd manager or inspector would have suspected something irregular, something suggesting enquiry, if there had been a close scrutiny periodically of the working of customers' accounts. To keep up so elaborate an interchange of balances as was practised in the bank, by the officer who kept the ledger, cannot have been possible without his making some private marks in the books which would have caught the eye of a manager or inspector if either of them had examined the books periodically, as is done in every prudently managed office. Looked at in any light, it is impossible to acquit the management of this New York bank of gross and culpable negligence, and of carrying on banking business without a proper set of books and inspection. It seems as though Canada would have not only to supply America with a sound banking system, but with a capable staff of officials.

#### A Commission Question.

THE *Westminster Gazette* has fallen foul of the life assurance companies for paying commissions to agents who solicit business. It calls the system "a curse," and regards the whole sum so paid as so much lost to the policy holders, and to those who are likely to take out policies. The paper refers to four British offices out of one hundred who make it a rule to pay no commissions, whose management expenses are lower than any of the others. The payment of commissions, of itself, is a mere extension into the field of life assurance of the ordinary custom of business firms. Very few wholesale houses dispense with commercial travellers, most of whom are paid wholly or in part by commissions, as this form of payment is the most effective stimulant to their energies. If then the wholesale merchants find it necessary to solicit orders for goods which would have to be bought whether orders for them were solicited or not, much more is it necessary and politic for life assurance companies to canvass for business, because the vast bulk of such business would not be done at all if it were not solicited. Men will not, save in rare cases, insure their lives voluntarily; they will only do so when the duty and the advantage of life assurance are pressed upon them. That cannot be done without a great expenditure of time; it needs also no small ability to be done successfully; it is very wearing work; very uncertain; so that the reward must be tempting and adequate, or canvassing agents, equal to this duty, could not be secured. Holding, as every well improved person does, that life assurance is an inestimable blessing to the whole community, we look upon its widening extension with great satisfaction, and, as that extension is very largely owing to the systematic work done to secure commissions, we consider the *Westminster Gazette's* criticism as not justified. That some commissions are unduly large, that

some offices load their business with excessive costs of this kind, is unfortunately true, but the abuse of a system is not a reason for its disuse.

#### A Lesson from London.

ONE of the social differences between this continent and England is the non-existence on this side of a territorial aristocracy who are so potent a factor in English life. But dignified though the "upper ten" of the old land are, and exalted socially above all other ranks of society, we have a class who are far more dignified and exalted in one respect. Men of the highest rank in Great Britain take a very active part in the management of the local affairs of the districts in which they reside. They sit at and regularly attend the meetings of Poor Law Guardians, they pay close attention to Magistrates Courts, and the meetings of these magnates, of which little is known here, but which are practically County Councils, are largely attended by the nobility. In fact, the local self-government of England, outside of cities, is carried on mainly by the titled and untitled aristocracy, the wealthy land owners, and those of their class. In the recent election of a Council for London, which is a municipal body like a city corporation, having, however, more extended powers, the Duke of Newcastle was a candidate, and ran the gauntlet of a popular contest. The Earl of Roseberry has been through the same experience, and several highly distinguished public men have sought, and some won, the suffrages of the populace. Yet, both in the States and in Canada, we have citizens who regard themselves as too socially exalted to serve the public in those duties which are discharged by dukes, earls and other magnates in England. We regard this disdain of public service by so many of our prominent citizens as lamentable; it is a grave reproach to a democratic country, it looks very much as though an infusion of the old world aristocratic element were needed here to teach citizens their duty and to set them an example. If we had a "Duke" or an "Earl" in the Council, we should secure as his colleagues some of those who now decline to share in the management of civic affairs, for reasons which their social superiors in England do not regard as an excuse for shirking public duty. If we consult history, we shall find that the highest dignities were conferred because of devotion to public service. Mere wealth devoted to private enjoyments has never led to honor in the lands where social honors confer such distinction. If a Duke of Newcastle and an Earl of Roseberry devote themselves to municipal work, if they are ready to accept what is practically the position of an alderman, through the popular vote, surely some of our more prominent merchants and bankers might enter on the same duties without any derogation of dignity? The first, the essential step to good government is the removal of the most unreasonable prejudice which prevents so many who are especially fitted for municipal life, by their experience and probity, from following the example of the Duke of Newcastle,—a man, let us say, who is not only devoted to all the duties of his station, but bears a high repute for his zeal as a christian.